

SUBJECT: COMCAST FRANCHISE NEGOTIATIONS UPDATE

DATE: DECEMBER 16, 2014

PRESENTED BY: HANK DALTON, MAYOR PRO TEM

SUMMARY:

Staff and the Mayor Pro Tem continue to have negotiations with Comcast for the City's franchise renewal.

There are three elements of the **Franchise Agreement** that are outstanding:

1. The amount of the letter of credit that will be posted by Comcast in the event of an uncured breach – we have agreed with Comcast that amount will be \$50,000.
2. Comcast's reporting of customer complaints. The City's interest is in trending the information rather than focusing on individual complaints in these reports. We will continue with the reports as they are currently being provided. The other information that we will track and report is the number and types of complaints that come to the City and are then referred to Comcast's escalations team.
3. The City continues to discuss with Comcast the density requirement (how residences are included in their service area without additional build out costs). The City's hope would be to capture any residences in Louisville that are not currently on service lines.

With respect to the **Customer Service Standards**, there are three remaining elements:

1. The City requested a customer service center be reopened in Louisville. Comcast has responded as follows:

The City would not agree to maintain the confidentiality of Comcast's financial figures, so Comcast can only respond generally. The costs of a City-mandated store in Louisville would be passed on to Louisville subscribers, and the resulting fee would nearly double a subscriber's average monthly bill of roughly \$100/mo. Today, Louisville customers have a wide variety of options to address equipment returns and bill payments – two transactions that represent nearly 100% of the previous store's traffic. Comcast direct ships equipment to/from its customers upon request, and also, the company announced in October a partnership with UPS Stores, where customers can now drop off Comcast equipment at no charge. One UPS location is just 3.5 miles from City Hall. Also, customers can pay their bills at any Western Union location, on the Xfinity My

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Account app, over the phone, or online at any time. Finally, Comcast's full service Xfinity Store on Baseline road is within 8 miles of City Hall.

The City will not pursue the service center issue further, reasoning that without getting into the credibility of the numbers, Comcast's service centers have changed from the type that existed in Louisville (small store front with minimal staff) to the Xfinity type store now in Boulder. Such stores cost considerably more to build, staff, and equip, and that the cost of such a center just to serve Louisville would necessarily be charged to Louisville customers. With respect to the additional options available for equipment returns and bill payments, Comcast will provide a description of the means by which they will keep its customers advised of those measures and any changes thereto.

2. Appointment windows for service calls: The model franchise agreement requires a four-hour window. Comcast has agreed to a two-hour window, but the remedy for non-compliance will be the \$25 credit that Comcast currently provides its customers in instances where Comcast technicians arrive beyond the two-hour window.
3. Clarity of billing: The City has reviewed current bills that Comcast is issuing, as well as changes that Comcast is contemplating to its statements, and finds them acceptable.

FISCAL IMPACT:

None at this time.

RECOMMENDATION:

Update and discussion.

ATTACHMENT(S):

None.